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IN THE

Supreme Court of the United States

OCTOBER TERM, 1960

No. 587

UNION CARBIDE AND CARBON CORPORATION,
Petitioner,

against

ELLIS-FOSTER COMPANY and MONTCLAIR RESEARCH CORPORATION,
Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT.

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December 16, 1960.

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Union Carbide and Carbon Corporation prays that a writ of certiorari issue to review the decision of the United States Court of Appeals for the Third Circuit which reverses the order of the District Court dismissing the action for lack of jurisdiction of the subject matter.

OPINIONS BELOW.

The opinions below are printed in the appendices annexed hereto:

Decision of the Board of Patent Interferences	— Appendix A
Opinion of the District Court	— Appendix B
Opinion of the Court of Appeals for the Third Circuit	— Appendix C

The opinion of the District Court is reported in 179 F. Supp. 177, 124 U. S. P. Q. 33. The opinion of the Court

of Appeals is reported in F. 2d , 127 U. S. P. Q. 297.

JURISDICTION.

The judgment of the Court of Appeals is dated, and was entered on, November 3, 1960.

Jurisdiction of this Court is invoked under 28 U. S. C. §1254(1) (1959).

QUESTIONS PRESENTED.

1. Where the statute (35 U. S. C. §146) gives the District Court jurisdiction to review a "decision of the board of patent interferences on the question of priority", did the Court have jurisdiction to review a decision of the Board which decided only that respondents' patent application did not adequately disclose the invention and which expressly declined to consider the testimony on or to decide the factual question of priority in time of invention?

2. Where the Board of Patent Interferences has decided that respondents' patent application did not adequately disclose the invention and that no patent could validly be issued to respondents, is the Commissioner of Patents an indispensable party to an action by respondents in the District Court to reverse the Board's decision and obtain the patent?

STATUTE INVOLVED.

Respondents invoked the jurisdiction of the District Court under 35 U. S. C. §146 which is as follows:

"§146. *Civil action in case of interference*

"Any party to an interference dissatisfied with the decision of the board of patent interferences on

the question of priority, may have remedy by civil action, if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints or as provided in section 141 of this title, unless he has appealed to the United States Court of Customs and Patent Appeals, and such appeal is pending or has been decided. In such suits the record in the Patent Office shall be admitted on motion of either party upon the terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court imposes, without prejudice to the right of the parties to take further testimony. The testimony and exhibits of the record in the Patent Office when admitted shall have the same effect as if originally taken and produced in the suit.

"Such suit may be instituted against the party in interest as shown by the records of the Patent Office at the time of the decision complained of, but any party in interest may become a party to the action. If there be adverse parties residing in a plurality of districts not embraced within the same state, or an adverse party residing in a foreign country, the United States District Court for the District of Columbia shall have jurisdiction and may issue summons against the adverse parties directed to the marshal of any district in which any adverse party resides. Summons against adverse parties residing in foreign countries may be served by publication or otherwise as the court directs. The Commissioner shall not be a necessary party but he shall be notified of the filing of the suit by the clerk of the court in which it is filed and shall have the right to intervene. Judgment of the court in favor of the right of an applicant to a patent shall authorize the Commissioner to issue such patent on the filing in the Patent Office of a certified copy of the judgment and on compliance with the requirements of law."

STATEMENT OF THE CASE.

This is an action brought by respondents in the District of New Jersey seeking to invoke the jurisdiction conferred upon District Courts by 35 U. S. C. §146 to review a decision of the Board of Patent Interferences "on the question of priority."

The complaint is headed "Civil Action to Obtain Patent" and contains a prayer that the Court "authorize and direct" the Commissioner of Patents to issue a patent to respondents including the count in interference No. 86,436.

This interference between the respective assignors of petitioner and respondents arose under the following circumstances. Patent No. 2,632,013 was issued to petitioner on March 17, 1953. A few days thereafter, on April 10, 1953, respondents amended their application to copy into it Claim 2 out of petitioner's patent. This claim related to reactions of alkynes with silanes under certain conditions to produce organo-silicon compounds, an invention relevant to silicone chemistry.

Thereupon the Primary Examiner declared the interference with this Claim 2 as the count. Petitioner moved to dissolve the interference on the ground that respondents had no right to make this claim because their application did not disclose its subject matter. Petitioner contended that, inasmuch as respondents' application did not disclose the invention, there was no interference in fact and thus no basis for considering priority of invention.

That motion was denied by the Primary Examiner, and under Patent Office practice it was then automatically reserved for the final hearing before the Board of Patent Interferences. Petitioner then took testimony of its research men in the form of depositions as to the dates of their conception of the invention and its reduction to practice.

The interference then went to final hearing before the Board. The Board, in its decision, stated at the outset:

> "The nature of some of the questions raised dispenses with consideration of the testimony . . ." (A-2)

It set forth in detail the deficiencies of respondents' disclosure and concluded:

> "As to the reaction of the count the MSS* specification contributes mostly an invitation to experiment." (A-6)

The Board expressly rejected the reasons given by the Primary Examiner for denying the motion to dissolve (A-6-A-7). The holding is then stated:

> "It is held that the MSS application does not support the count." (A-7)

After noting again that

> ". . . W & S** stand to prevail and it is not necessary to discuss the testimony." (A-8),

the opinion concluded with this sentence:

> "Priority of invention of the subject matter in issue is hereby awarded to George H. Wagner and Corneille O. Strother, the junior party." (A-8)

Thus the Board reversed the decision of the Primary Examiner denying the motion to dissolve, and held that there was only one inventor, the petitioner, because respondents did not disclose the invention. Petitioner's testimony on dates of conception and reduction to practice was expressly not considered.

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* Respondents' assignors, MacKenzie, Spialter and Schoffman.

** Petitioner's assignors, Wagner and Strother.

Respondents brought this action to review the Board's decision and petitioner moved to dismiss the complaint on the same grounds as are urged in this petition. The District Court granted the motion on these grounds:

> (1) That the Court lacked jurisdiction over the subject matter because the decision of the Board effectively dissolved the interference rather than determining priority (B-3); and
>
> (2) That the contest was in reality not between petitioner and respondents but between respondents and the Patent Office (B-4).

The Court of Appeals on November 3, 1960 reversed and remanded for "determination of priority as required by Section 146" (C-18).

REASONS FOR GRANTING WRIT.

This case involves an important question of the statutory jurisdiction of the District Courts to review decisions of the Board of Patent Interferences. The statute in question is 35 U. S. C. § 146 enacted as a part of the Patent Codification Act of 1952. It grants the District Courts jurisdiction in civil actions to review certain decisions of the Board of Patent Interferences.

The scope of the District Courts' jurisdiction under this statute is an important question of federal law which has not been, but should be, settled by this Court.

In interference proceedings it is common practice for a party to make a motion to dissolve an interference on the ground that the other party's application does not disclose the invention. This motion is decided in the first instance by the Primary Examiner. If he grants the motion, thereby deciding that one application does not disclose the invention, that means that there is but one inventor and

there can be no interference. Further proceedings must pursue an *ex parte* route. No one suggests that a District Court would have jurisdiction under Section 146 to review such a decision.

In the present case the Primary Examiner denied the motion, and when the matter came on for final hearing his decision was in substance reversed by the Board. However, as is its practice, the Board in form purported to award priority instead of dissolving the interference. On this basis the Court of Appeals treats the Board's decision as an award of priority and orders the District Court to take jurisdiction under Section 146.

Under the decision of the Court of Appeals, the District Court is vested with jurisdiction to reverse the decision of the Patent Office and to adjudge that respondents are entitled to and can be validly issued a patent for the invention, even though the Commissioner of Patents is not made a party to represent the public interest.

Furthermore, by the present decision, the District Court is ordered to consider testimony and decide the issues of conception and reduction to practice as an original matter without having the benefit of the specialized knowledge and experience of the Board, although a long line of authorities establish that the statutory intent must have been that the District Court rely heavily on the Board's findings in this technical administrative field.

It is submitted that this Court should resolve the important jurisdictional issue presented here. Although the Court of Appeals' decision is not a final order, this issue is fundamental to the further conduct of the case. *Larson v. Domestic and Foreign Commerce Corp.*, 337 U. S. 682, 685, n 3.

I. Section 146 does not give the District Court jurisdiction where the Board did not reach or decide the question of priority.

Respondents brought this action seeking to compel the Commissioner of Patents to issue a patent to respondents. They asked the District Court to reverse the determination of the Commissioner's Board of Patent Interferences to the effect that they are not entitled to a patent. Yet this action was brought in the District of New Jersey and respondents did not and could not make the Commissioner a party.

There are two sections in the Patent Codification Act of 1952 which provide for a civil action in the District Court to review a decision in the Patent Office. One is Section 145 which provides for a civil action against the Commissioner which can be brought only in the District Court for the District of Columbia. This action is to review a decision that a valid patent cannot issue to the plaintiff.

The other is Section 146 which provides for a civil action against the adverse party in interest where a question of priority is presented—that is, which of two inventors is first in time. This action may be brought in any district where plaintiff can get jurisdiction over the adverse party.

This case presents a question of first impression. The District Court in dismissing the complaint reached its decision on the basis of reason and principle. That, we respectfully submit, is the right approach to the question.

The basic concept of our patent system is that a man who invents something new and useful can make a bargain with the public. He can file an application which properly discloses his invention and teaches the public how to use it. That is added to the store of public knowledge and con-

stitutes a new chapter in the book of knowledge. As a reward the inventor is allowed a patent claim giving him the exclusive right to his invention for a term of 17 years.

The Commissioner of Patents, with his staff of examiners and boards, represents the public interest. He is specifically charged with the responsibility for seeing that the application does add a new chapter in the book of knowledge. The statute requires that the application describe the invention

> ". . . in such full, clear, concise, and exact terms as to enable any person skilled in the art . . . to make and use the same . . ." (35 U. S. C. §112)

The inventor must disclose and teach the invention in his application. Otherwise he is not entitled to claim it. We can illustrate the point with a homely analogy. Suppose an application is filed describing and claiming a new buggy-whip. Thereafter a patent is issued to someone else describing and claiming a new type of buggy. The buggy-whip inventor then amends his application to insert a claim to the new type of buggy and the Primary Examiner thereupon declares an interference. In such a situation, the Board of Patent Interferences should obviously decide that the buggy-whip application would not support a claim to the buggy. That would be in substance a decision dissolving the interference, and not a decision on the question of priority of invention.

Until the question as to the adequacy of the application is decided, the Commissioner is an indispensable party to represent the public interest.

There may be a situation where two applications are filed which describe the same invention, and the Patent Office is convinced that each application is in all respects proper and adequately teaches the same invention. Thus

the invention is patentable in either application and it comes down to a question of priority as to conception and reduction to practice.

Up to the point where both applications are definitively found adequate the proceedings are necessarily *ex parte* and it is a controversy between the applicant and the Commissioner. After this point is reached, it becomes a private fight, a controversy between the two applicants as to dates. In the Patent Office this private controversy is decided by the Board of Patent Interferences.

If one of the applicants is dissatisfied with the decision of the Board of Patent Interferences on the question of priority, he may have remedy by civil action under Section 146 against the adverse party. That action can be filed in any district where the plaintiff can get jurisdiction over the adverse party in interest. The action does not have to be brought in the District of Columbia and Section 146 specifically says

> "The Commissioner shall not be a necessary party but he shall be notified of the filing of the suit by the clerk of the court in which it is filed and shall have the right to intervene."

This is quite different from Section 145 which provides for a remedy with respect to *ex parte* matters by

> ". . . civil action against the Commissioner in the United States District Court for the District of Columbia."

In our case respondents are claiming that they are entitled to take something out of the public domain and to have the Commissioner issue a patent giving them the exclusive right to it for the next 17 years. In rejecting respondents' claim, the Board never got beyond the point

that involved the public interest. The Board decided that respondents' application did not describe the invention in "full, clear, concise and exact terms". Instead the Board said:

> "As to the reaction of the count the MSS specification contributes mostly an invitation to experiment." (A-6)

The decision of the Court of Appeals would make the whole question of which path the contest will follow, turn irrevocably upon the decision of the Primary Examiner, the low man in the hierarchy of the Patent Office. If he erroneously declares an interference and then recognizes his error and grants the motion to dissolve the interference, unquestionably the party held not to disclose must pursue an *ex parte* route ending with an action against the Commissioner under Section 145.

But in our case the Primary Examiner erroneously declared the interference and then refused to recognize his error and denied the motion to dissolve. According to the Court of Appeals, the proceeding thereby becomes irrevocably a contest between the two private parties. The Board of Patent Interferences overruled the Primary Examiner and decided that the respondents did not disclose the invention covered by Claim 2 and that no valid patent could be issued to respondents for that invention. Yet pursuant to its practice, which we submit is erroneous, the Board purported to award priority instead of dissolving the interference. But this obviously is a controversy between respondents and the Patent Office as to whether a valid patent could be issued to respondents. Nevertheless, the Court of Appeals holds that this controversy must be decided in an action under Section 146 in the absence of the Commissioner of Patents. This would put the burden of

representing the public interest upon the defendant in an action under Section 146; and if the defendant, for whatever reason, should be unable or unwilling to carry this burden, the result would be the issuance of an invalid patent without contest.

We submit that it makes no sense, and that Congress could not have intended, that an initial error by the Primary Examiner, the low man on the totem pole, should confer jurisdiction upon the District Court thus to decide the wrong issue between the wrong parties.

II. The Court of Appeals' opinion ignores the jurisdictional requirement of the statute.

The District Court, in its decision dismissing the complaint, treated this question of statutory jurisdiction as a matter of substantive principle and not words, saying:

> "The whole question now to be adjudged is what actually was the effect of the decision of the Board of Patent Interferences. Upon this depends the jurisdiction of this court" (B-3).

The District Court further said:

> "But in the instant case the contest is in reality not between two applicants, but between the applicant whose application has been found to be defective and the Patent Office, proper method of review in such case being by ex parte appeal through the tribunals of the Patent Office and then to the Court of Customs & Patent Appeals, or the United States District Court for the District of Columbia" (B-4).

Nowhere does the Court of Appeals discuss the substantive aspects or recognize the basic concept of the patent system. Instead the Court relies upon Patent Office prac-

tice. One point should be clear. Jurisdiction of the District Court to entertain this action must be found in the statutes enacted by Congress and not in the forms of practice which may prevail in the Patent Office.

Moreover, the Court of Appeals does not cite any practice or precedent under the present statute enacted in 1952. In fact, the Court of Appeals goes back more than a half a century and quotes at length, at pages C-8 to C-11, from an opinion rendered by the Commissioner of Patents in *Brown v. Hodgkinson*, 1906 C. D. 290, 123 O. G. 2973 (C-8-C-11). At the time of that decision, the statute in force, Act of February 9, 1893, 27 Stat. 434, *et seq.*, had little or nothing in common with the present statute. A civil suit in equity (analogous to the present suit under Section 146) was there available only after an appeal to the District of Columbia Court of Appeals.

It was not until the Act of March 2, 1927, 44 Stat. 1335, *et seq.*, that the suit in equity was established as a remedy alternative to appeal.

In 1929 the present Court of Customs and Patent Appeals was created to assume the District of Columbia Court of Appeals' appellate jurisdiction over Patent Office matters, Act of March 2, 1929, 45 Stat. 1475.

By the Act of August 5, 1939, 53 Stat. 1212, the patent statutes for the first time expressly recognized the basic distinction between interference contests and *ex parte* proceedings. That statute set up separate administrative tribunals in the Patent Office, the Board of Appeals to hear *ex parte* matters and the Board of Patent Interferences to hear interference proceedings; and that statute for the first time provided the present alternative routes for the review of decisions of these tribunals.

Under the 1939 Act the provisions for review of Patent Office decisions by a suit in the federal courts were con-

tained in a single omnibus section. The *ex parte* civil suit to obtain a patent (35 U. S. C. §145) and the civil suit between private parties to review a decision on the question of priority (35 U. S. C. §146), which are now provided for in separate sections of the patent statutes, were lumped together in what was then 35 U. S. C. §63, also referred to as R. S. 4915. For the convenience of the Court the former Section 63 is set out in full as follows:

> "§63. Bill in equity to obtain patent.
>
> "Whenever a patent on application is refused by the Board of Appeals or whenever any applicant is dissatisfied with the decision of the board of interference examiners, the applicant, unless appeal has been taken to the United States Court of Customs and Patent Appeals, and such appeal is pending or has been decided, in which case no action may be brought under this section, may have remedy by bill in equity, if filed within six months after such refusal or decision; and the court having cognizance thereof, on notice to adverse parties and other due proceedings had, may adjudge that such applicant is entitled, according to law, to receive a patent for his invention, as specified in his claim or for any part thereof, as the facts in the case may appear. And such adjudication, if it be in favor of the right of the applicant, shall authorize the commissioner to issue such patent on the applicant filing in the Patent Office a copy of the adjudication and otherwise complying with the requirements of law. In all cases where there is no opposing party a copy of the bill shall be served on the commissioner; and all the expenses of the proceedings shall be paid by the applicant, whether the final decision is in his favor or not. In all suits brought hereunder where there are adverse parties the record in the Patent Office shall be admitted in whole or in part, on motion

of either party, subject to such terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court may impose, without prejudice, however, to the right of the parties to take further testimony. The testimony and exhibits, or parts thereof, of the record in the Patent Office when admitted shall have the same force and effect as if originally taken and produced in the suit."

The structure and language of the present statutory provisions, Sections 145 and 146 of Title 35, differ considerably from the former Section 63. The changes wrought by the Patent Codification Act of 1952 make it clear that two distinct areas of jurisdiction are involved in Patent Office matters. One involves *ex parte* matters where an applicant disputes with the Patent Office his right to claim an invention. The other involves interference matters where there must be a decision on the question of priority in time, to wit: Who was the first inventor?

It is our position that the District Court would have been without jurisdiction in this case even under the earlier patent statutes and case law. However that may be, the statutes in effect prior to 1939 have undergone major revision, and the practice in effect in the Patent Office prior to 1939 can have little or no bearing on the question of the District Court's jurisdiction under the present statutes. Whatever doubt or ambiguity existed on the present question under earlier statutes should be dispelled by the Patent Codification Act of 1952 where jurisdiction under Section 146 was expressly limited to a review of a "decision . . . on the question of priority."

The last sentence of the decision of the Board of Patent Interferences stated that priority was awarded to petitioner. In substance, the Board decided only that

respondents were not entitled to a patent in any event. The Board had no power to confer jurisdiction on the District Court to decide an issue of validity based on adequacy of disclosure in an action between private parties, and the Board could not confer such jurisdiction merely by adding a sentence at the end of the decision. Instead jurisdiction should be based upon the substance of the decision.

Section 146 explicitly requires that the decision must be one "on the question of priority". The decision of the Court of Appeals, if allowed to stand, would effectively delete that requirement from the statute and vest the District Courts with jurisdiction under Section 146 to review all decisions of the Board of Patent Interferences in contravention of the basic structure of the patent laws.

III. Congress did not intend that the District Court decide priority of invention without having the benefit of the Board's specialized knowledge and experience.

In enacting Section 146 Congress intended that the District Court should have the benefit of the Board's decision on the question of priority of conception and reduction to practice. The Board is well acquainted with those concepts through long experience and intensive specialization in these technical fields. Congress did not intend that a District Court should decide the factual issue of priority in time of invention as an original matter.

In our present case the Board has never considered the evidence as to conception and reduction to practice. If the District Court were to take jurisdiction, the Court would have to review that evidence and reach a decision without any guidance from the Board.

There is a long line of cases stemming from the leading case of *Morgan* v. *Daniels*, 153 U. S. 120 (1894), which are incompatible with a decision of the factual issue of priority as an original matter by the District Court. That was a suit brought under former R. S. 4915. Priority of invention had been determined in the Patent Office. The Supreme Court said:

> "But this is something more than a mere appeal. It is an application to the court to set aside the action of one of the executive departments of the government. The one charged with the administration of the patent system had finished its investigations and made its determination with respect to the question of priority of invention. . . .
>
> • • • • • •
>
> "Upon principle and authority, therefore, it must be laid down as a rule that where the question decided in the Patent Office is one between contesting parties as to priority of invention, the decision there made must be accepted as controlling upon that question of fact in any subsequent suit between the same parties, unless the contrary is established by testimony which in character and amount carries thorough conviction" (153 U. S. at 124-5).

In our case the question of fact as to priority in conception and reduction to practice has not yet been determined by the one who, in the above language, is "charged with the administration of the patent system" and whose decision "must be accepted as controlling" unless there is a "thorough conviction" of error. Congress cannot have intended the District Court to decide this issue of priority in time of invention without benefit of the views of the experts in the Patent Office.

CONCLUSION.

For the foregoing reasons, it is respectfully submitted that this petition for a writ of certiorari should be granted.

Respectfully submitted,

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